



Community Facilities Loan and Grant Program Preapplication Guide for Direct Loans

Applicants for Community Facilities (CF) Loans should provide the following information to USDA Rural Development:

1. A completed Standard Form 424-2, "Application for Federal Assistance".
2. Evidence that the State of California Clearinghouse and Regional Clearinghouses (if applicable) have been notified about your project. Please refer to the attached instructions for contacting the State and Regional Clearinghouses.
3. A written certification (use the attached "Other Credit Policy" statement) that credit elsewhere cannot be obtained at reasonable rates and terms. Provide a listing of any lenders who were contacted.
4. Preliminary Architectural Report (or engineering Report, if applicable) and the environmental documentation (i.e., initial study, negative declaration, Environmental Impact Report) required by the California Environmental Quality Act (CEQA). Note: These documents can be provided later if not available at this time.
5. A copy of your most recent Audit or Financial Statement.
6. Nonprofit organizations must provide a copy of current By-laws (certified by the Corporate Secretary) and Articles of Incorporation (with California Secretary of State Reproduction Certification).
7. A Narrative that provides the following information:
 - A. Why the facility is needed.
 - B. If a Preliminary Architectural Report is not available at this time, provide a description of the facility, including any available plans and specifications.
 - C. Median Household Income of the service area and the source of data.
 - D. Any existing long-term debt/annual payment(s) for the facility that the financing is being requested for.

- E. Type of loan security (i.e., note, deed of trust, bond, etc.) that will be offered for repayment.

Please submit two copies of the requested items to Rural Development at the most convenient local office.

Rural Development personnel are available to assist you with the preparation of your preapplication. Please contact the local office if you have any questions or need assistance.

ENVIRONMENTAL IMPACT REVIEW REQUIREMENTS

Rural Development advises you against taking any actions or incurring any obligations, which would limit the range of the alternatives to be considered, or which would have an adverse effect on the environment.

Rural Development is required to identify potentially significant environmental impacts on the human environment prior to the issuance of the letter of condition. An environmental assessment will be conducted by Rural Development personnel to determine what environmental impacts the proposed project will have, if any.

PUBLIC INFORMATION REQUIREMENTS

Rural Development will require all applicants to inform the general public regarding the development of any proposed project. Any applicant not required to obtain authorization by vote of its membership or by public referendum, to incur the obligations of the loan or grant, will hold at least one public information meeting. The public meeting must be held after the preapplication is filed and not later than loan approval. The meeting must give the citizenry an opportunity to become acquainted with the proposed project and to comment on such items as economic and environmental impacts, service area, alternatives to the project, or any other issues identified by Rural Development. The applicant will be required, at least 10 days prior to the meeting, to publish a notice of the meeting in a newspaper of general circulation in the service area, to post a public notice at the applicant's principal office, and to notify Rural Development. Rural Development will request a copy of the published notice and minutes of the public meeting.